

Oregon Liquor Control Commission Overview

Senate Committee on Labor and Business

February 2, 2021



Steve Marks, Executive Director

OVERVIEW

- **Third largest generator of public funds**
 - *2019-21 estimated \$605 million* in liquor revenue distributed to general fund, cities and counties
 - 2019-21 estimated *\$264 million* in marijuana tax revenue distributed to general fund, schools, cities, counties and health programs (Office of Economic Development)
- **Core functions**
 - Centrally purchase, warehouse and distribute bottled distilled spirits to OLCC-appointed retail agents
 - License and regulate alcohol licensees and alcohol server permits
 - Implement bottle bill and approve redemption centers
 - License and regulate marijuana licensees and marijuana worker permits
 - Track and inspect OHA medical grow sites growing for 3 or more cardholders, OHA processors and dispensaries
- **Funding**
 - Alcohol Program is funded from distilled spirits markup, license fees and privilege tax; Recreational Marijuana Program is license fee funded; OHA tracking and inspections are marijuana tax funded

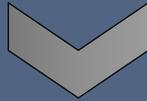
OREGON LIQUOR CONTROL ACT AND CANNABIS REGULATION

- ORS 471 Alcoholic Liquor Generally
- ORS 473 Wine, Cider and Malt Beverage Privilege Tax
- ORS 474 Trade Practices Related to Malt Beverages
- ORS 459A.700 to 740 Beverage Containers, the Bottle Bill
- ORS 475B Cannabis Regulation
- Administrative Rules Chapter 845

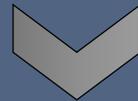
HOW DISTILLED SPIRITS FLOW IN OREGON



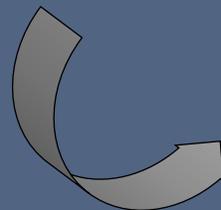
Manufactured or Imported



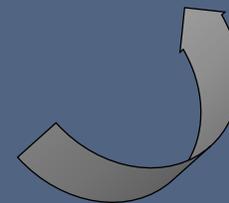
Listed with OLCC



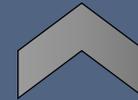
Delivered to Warehouse
Stored in Bailment (vendor owned)



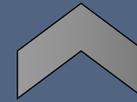
Ordered by Liquor Store



Shipped to Liquor Store
OLCC pays manufacturer and owns inventory

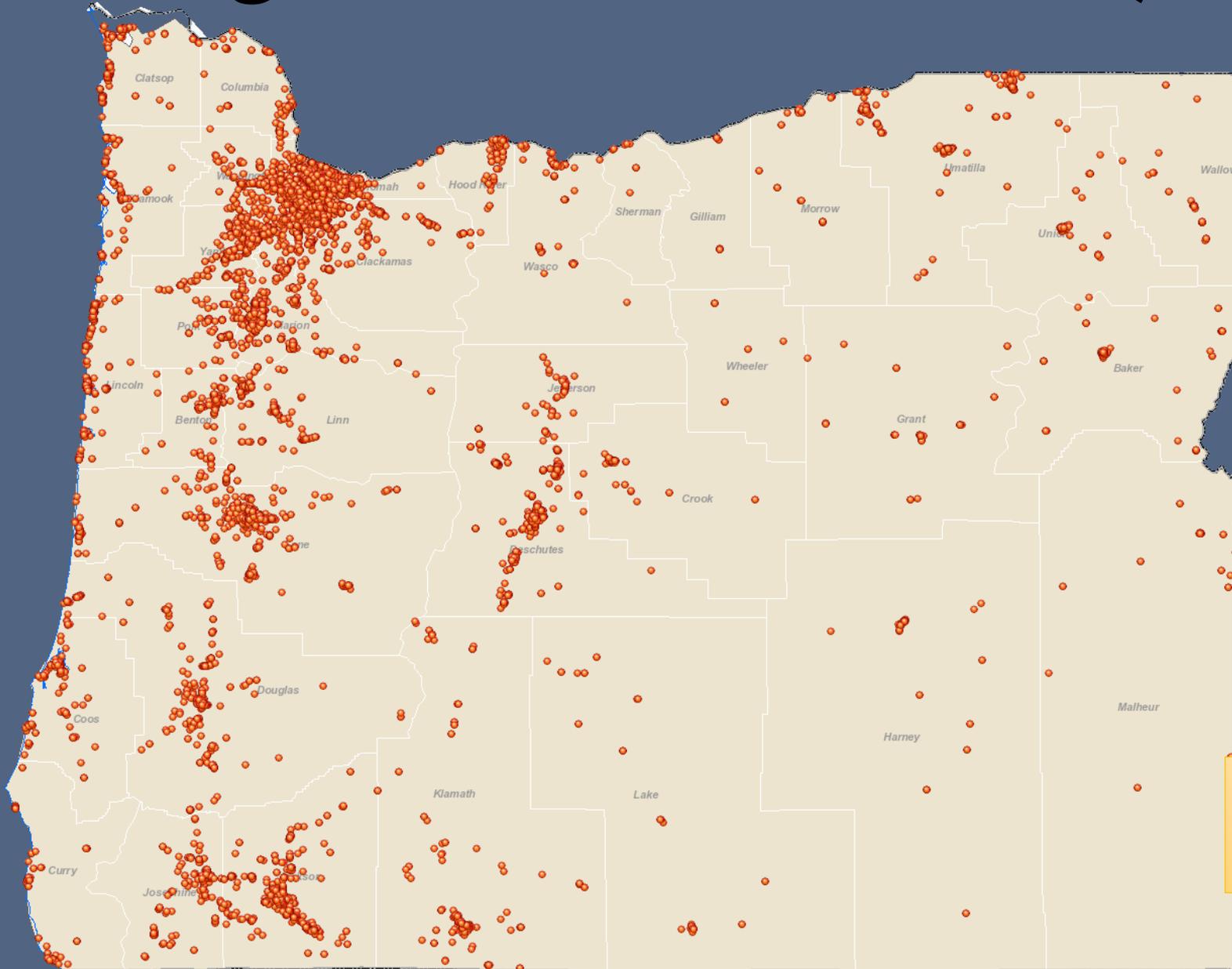


Sold to Customer or Licensee



Liquor Agent paid
Commission for sale

Oregon Alcohol Licensees (all types)



7,188 On-Premises Licenses

5,372 Off-Premises Licenses

1,218 Wineries

384 Breweries/Brew Pubs

136 Distilleries

223 Wholesale/Distributors

282 Liquor Stores

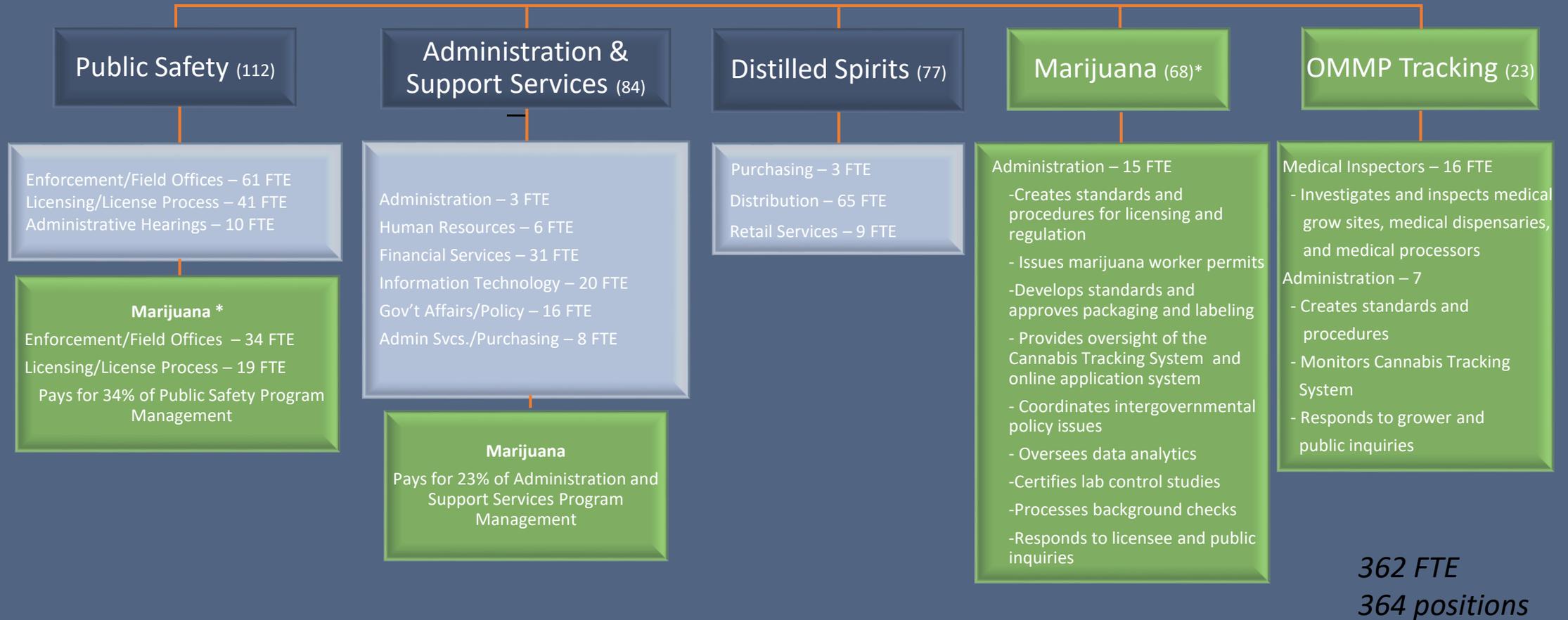
136 Distillery Licenses

98 Distillery Retail Outlets

Marijuana Licensees (all types)

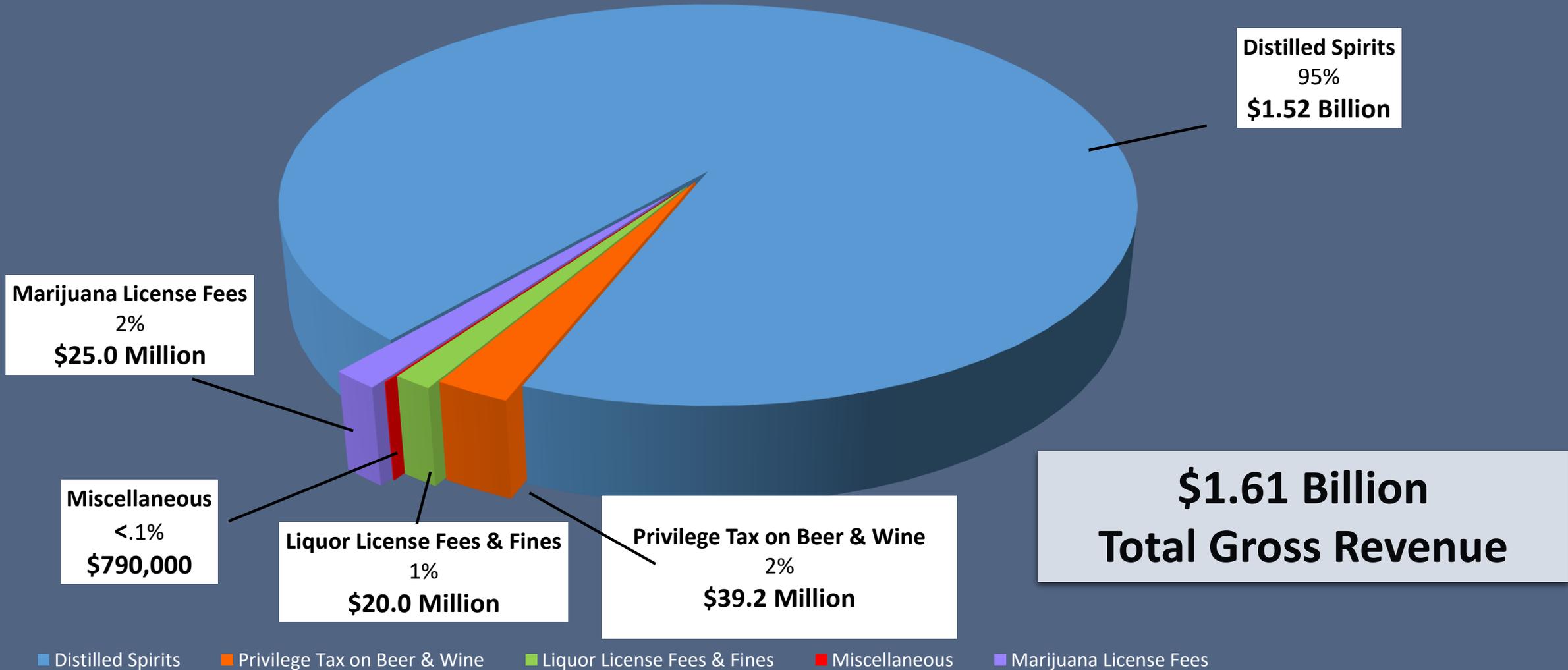
As of January 11, 2021	
License Type	Active
Laboratory	20
Processor	273
Producer	1182
Retailer	731
Wholesaler	189
Research	1
Total	2396

OLCC Agency Structure



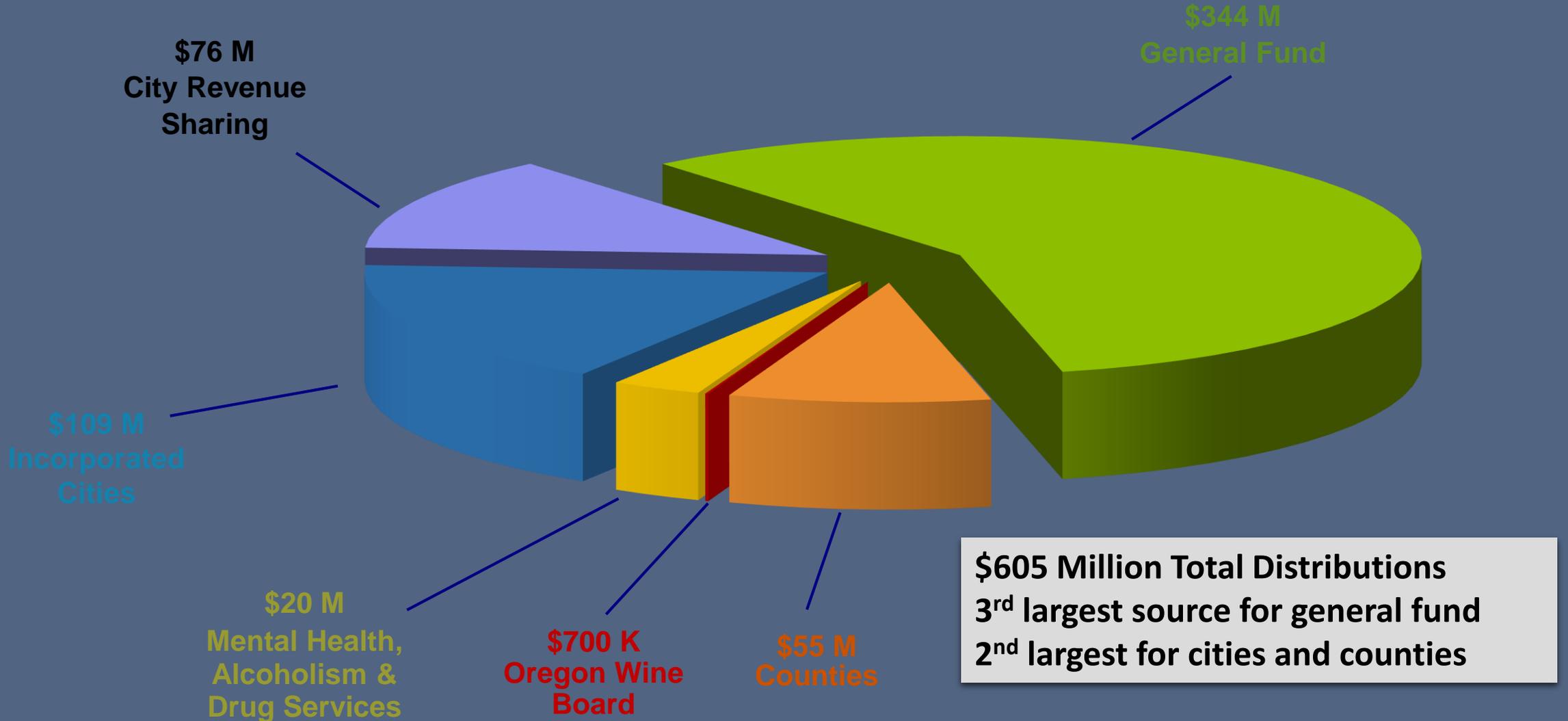
PROJECTED GROSS REVENUE SOURCES

2019-2021 BIENNIUM (GRB)



PROJECTED ALCOHOL NET REVENUE DISTRIBUTION

2019-2021 Biennium – All Revenue Sources



2019-21 MARIJUANA TAX REVENUE DEPARTMENT OF REVENUE DISTRIBUTION (\$264 MILLION)

State School Fund	\$104 million	40%
Mental Health Alcohol & Drug Services	\$52 Million	20%
State Police	\$39 Million	15%
Cities	\$28 Million	10%
Counties	\$28 Million	10%
Alcohol & Drug Abuse Prevention	\$13 Million	5%

Legislative Priorities at Governor's Request

- HB 2111 - Changes name of "Oregon Liquor Control Commission" to "Oregon Liquor and Cannabis Commission."
- HB 2112 - Authorizes Oregon Liquor Control Commission to negotiate price for certain distilled liquor purchased by Indian tribe or commercial airline.
- SB 95 - Authorizes Oregon Liquor Control Commission to create data and analysis regarding commercial sales and commercial industries. Authorizes commission to contract for services related to creating, marketing, selling or licensing use of data and analysis.
- SB 96 - Defines "cannabinoids" for purpose of inhalant delivery systems. Authorizes Oregon Health Authority to consult with Oregon Liquor Control Commission on adoption of rules related to inhalant delivery systems containing cannabinoids. Authorizes commission to regulate testing and labeling of inhalant delivery systems that contain cannabinoids derived from industrial hemp.

Governors Budget Priorities

- Replacement of Current Warehouse and distribution facilities
- Compensation for Liquor Store and Distillery Outlets
- Alcohol and Marijuana Licensing Resources
- Administrative Hearings Resources for Alcohol and Marijuana
- Support Services for Human Resources, IT and Finance

OLCC'S MISSION

Support businesses, public safety,
and community livability
through education and the enforcement
of liquor and marijuana laws.

